



dhiraagu

FIRST QUARTER REPORT

January to March 2018

Dhivehi Raajjeyge Gulhun PLC

www.dhiraagu.com.mv



Dhiraagu is the leading digital and telecommunications service provider in the Maldives. Our business is to provide future-proof digital and telecommunications connectivity that enable our customers to get ahead in the digital future. We are the pioneers that ushered the Maldives into the digital age, and we continue to lead the field by placing premium value on customer experience and consistent innovation. With over half a million customers, and an employee base comprising 99% trained Maldivians and presence throughout the country, we remain committed to enhance our customers' lives through digital services.

Dhiraagu brings the latest innovations and technology to help all our customers succeed in an increasingly connected world. We offer a comprehensive range of services spanning from mobile, internet, data, TV, mobile money and fixed services. We also ensure reliable international connectivity and coverage within the Maldives. We consider ourselves a partner for business growth and provide leading enterprise solutions and offer our customers peace of mind.

With nearly three decades of excellence and a proven record of success, we are proud of our role enabling the Maldives to take on tomorrow.



01

**Developments During
the Quarter**

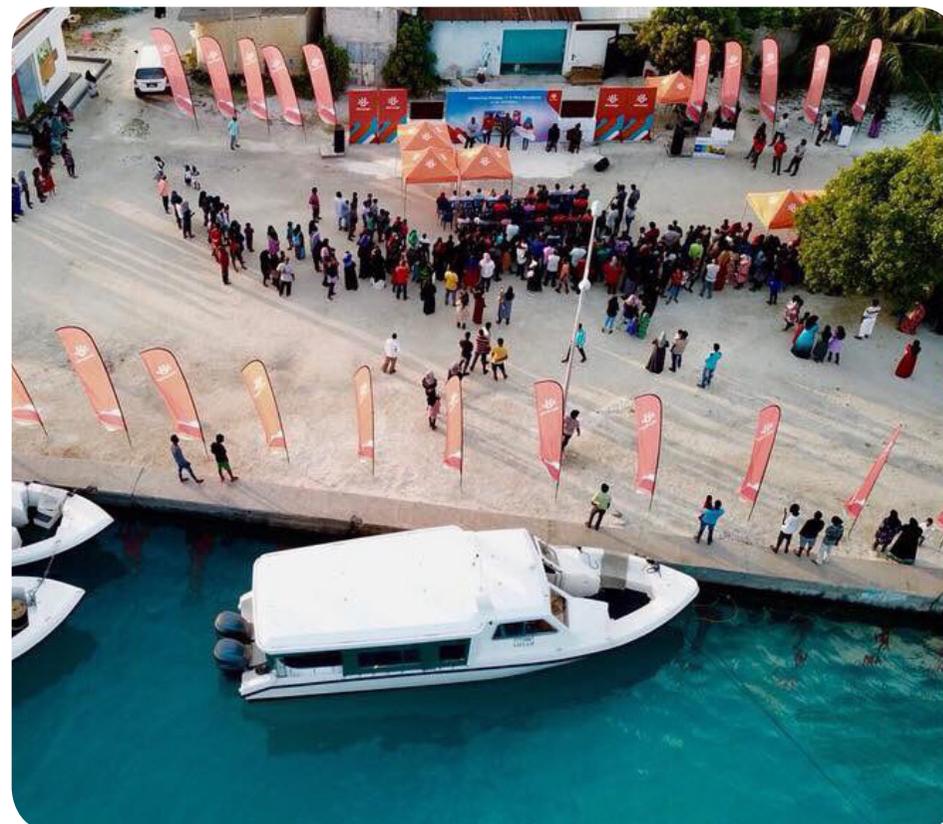


1.1 SUMMARY

We started the year with a renewed emphasis on our goal of providing digital connectivity across the country and improving customer experience. We continued with the expansion of our nationwide 4G rollout and launched Fibre Broadband and TV services to several new islands. Our promotions focused on providing enhanced value to our mobile, TV and Broadband customers.

Dhiraagu started 2018 posting a 1% increase in revenue over the previous quarter and a 9% increase vs Q1 2017 driven by higher seasonal roaming revenues, growth in mobile data and the expansion of FTTH services. Net profit and earnings per share grew 9% over Q4 2017 due to lower costs. Net cash flow was on par with the previous quarter as an improvement in operating cash flow was offset by higher capital investment. During the quarter, the company announced a proposed final dividend of MVR 444.6m (MVR 5.85 per share) for the year ending 31 December 2017 which will be paid during Q2, subject to shareholder approval at the next AGM.

As a responsible organization, we ensured our support to community and environment initiatives through our CSR and sponsorship programmes. Notable highlights include the launching of the awareness campaign “Rethink. Reduce. Reuse - For the Oceans” to raise awareness against single-use plastic. We are also the title sponsor of the popular reality music franchise Maldivian Idol for its third season.



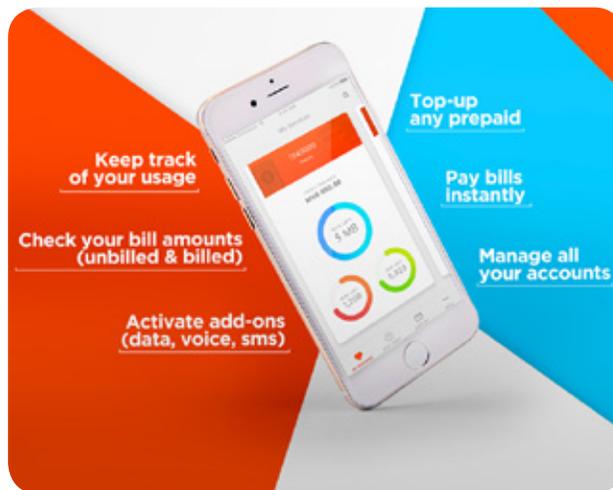
1.2 COMMERCIAL HIGHLIGHTS



Dhiraaugu Fibre Broadband Services

We launched high speed fibre broadband services in Lh. Hinnavaru, Lh. Naifaru, HDh. Kulhudhuffushi, Sh. Funadhoo, K. Himmafushi, R. Dhuvaafaru and K. Gulhi.

We also continued our Fibre Broadband Promo providing free connection and discounts on our fibre broadband packages and Dhiraaugu TV service.



Mobile Services

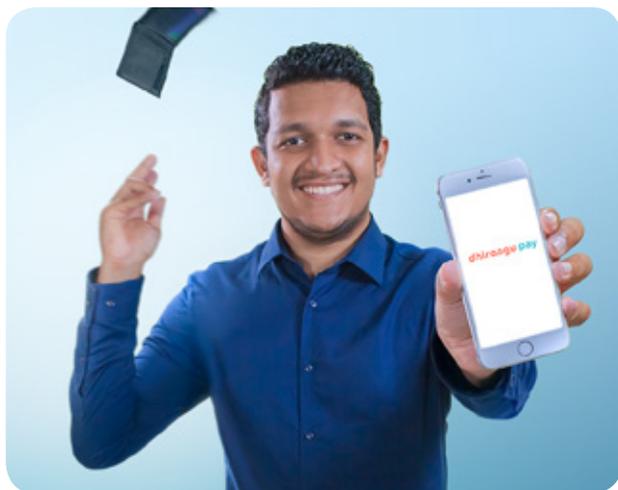
Dhiraaugu postpaid plans were enhanced in Q1, offering added value with social media data allowances of up to 5GB, and continued special offers for new customers joining our network.

In Q1, special initiatives were introduced to upgrade customers to 4G sims, with special offers and packages on 4G devices as Dhiraaugu continued to enhance our 4G network across the country.



Dhiraaugu TV

During the Quarter, Dhiraaugu TV service was launched in seven additional islands on our FTTH network. Dhiraaugu TV is the only nationwide IPTV service in the country, and offers the same high quality content wherever the service is available without any location restrictions. This service is now available in 28 islands across the Maldives.



Dhiraagu Pay

We continued to expand our mobile money service “Dhiraagu Pay”, securing over 130 merchants, including popular supermarkets and cafes across the country. During the first quarter we introduced this service to Ghiyasuddin International School allowing children to pay for their school meals in a more convenient and cashless manner using Dhiraagu Pay.



Samsung S9 launch

Samsung S9 and S9+ phones were launched with attractive packages, offering free data allowances and attractive payment plans.



Sponsorships

During the quarter, we continued to provide sponsorships to support various social and commercial activities. Notable sponsorships during this quarter include

- Title sponsor of the popular reality music franchise Maldivian Idol for its third consecutive season
- Sponsored the Top Achievers Award recognizing the achievements of the nation’s top performing higher secondary students.
- Sponsored Club Maldives Futsal tournament - the largest and most popular futsal tournament in Maldives, with participation from several government and private sector institutions.

1.3 ORGANIZATIONAL HIGHLIGHTS



Staff Training

During Q1, 96 staff were trained in technical and non technical areas.

Health and Safety

Fire safety inspections and housekeeping completed at Dhiraagu Head Office and key sites in Greater Male' area. A full building evacuation exercise was organized for Dhiraagu Head Office.



Staff Engagement

Several initiatives were organized throughout the quarter to keep our staff engaged and motivated. Some key highlights were

- Physical fitness education sessions held in participation with Absolute Fitness.
- Inter departmental football tournament "Descup 2018" held with 25 teams and over 300 staff participating.
- Participated in Club Maldives Cup, one of the biggest national futsal tournament in the country.
- Awareness sessions held on World Cancer Day with team photos displaying key messages on the theme #WeCanICan.

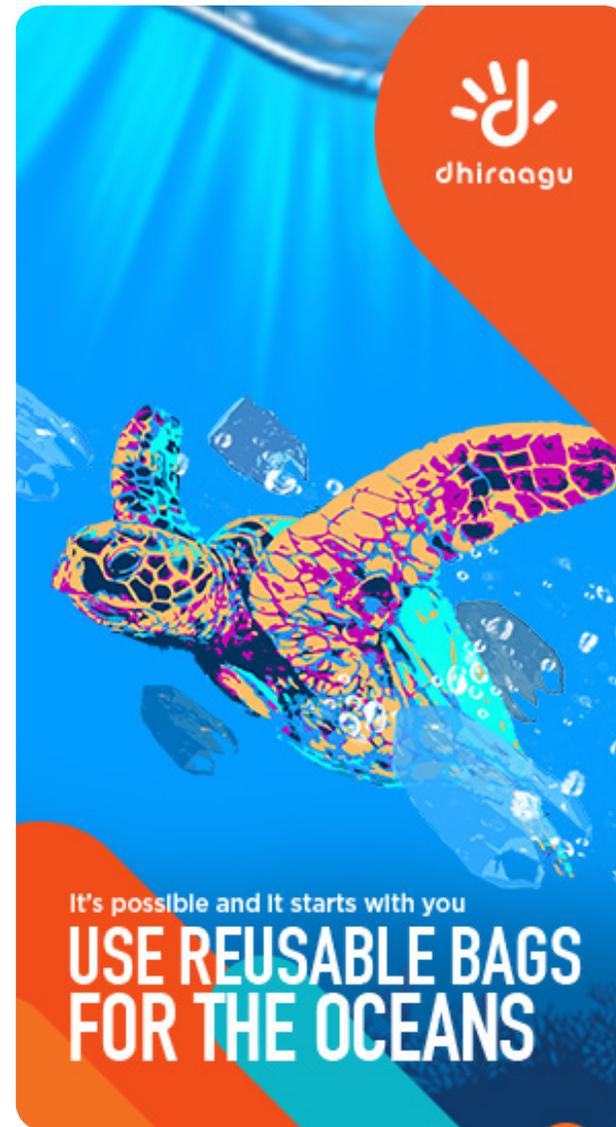


- Celebrated International Women's Day with a special function and giveaways for all female staff.
- Joined the "Buddy Walk" and organized games for Down Syndrome kids at Dhiraagu Head Office. Staff also contributed to the fundraising campaign under "#meanddownsyndrome" by purchasing the special T-shirts.

1.4 CORPORATE SOCIAL RESPONSIBILITY

Key CSR Highlights

- Launched the awareness campaign “Rethink. Reduce. Reuse - For the Oceans” to raise awareness against single-use plastic and to reinforce the message to use reusable bags.
- Supported the community event “Clean Ukulhas 2018” and distributed Dhiraagu reusable bags to the community of Alif Alif Ukulhas.
- Distributed Dhiraagu reusable bags to Ghaazee School and Kalaafaanu School, to support their “Farukoi- A voice for the Oceans” initiative to reduce single use plastic.
- On World Down Syndrome Day, volunteers from Dhiraagu participated in the “Buddy Walk” to support the NGO Beautiful Eyes Down Syndrome Association to help raise awareness on Down Syndrome.
- Supported the Centre for Holy Quran by providing network solutions free of charge to facilitate the Centre to conduct digital Quran classes.
- Celebrated the International Women’s Day and collaborated with Maldives Girl Guide Association to support their programs on women empowerment.





Take on tomorrow



02

Key Financial Highlights



2.1 BALANCE SHEET (UNAUDITED)

AS AT

31 Mar 2018
MVR "000"

31 Dec 2017
MVR "000"

ASSETS AND LIABILITIES

Non-Current Assets

Intangible Assets	248,643	243,870
Property, Plant and Equipment	1,792,058	1,823,336
Deferred Tax Asset	9,812	9,863
Total Non-Current Assets	2,050,513	2,077,069

Current Assets

Inventories	88,858	73,130
Trade and Other Receivables	502,983	440,310
Cash and Bank Balances	803,301	607,512
Total Current Assets	1,395,142	1,120,952

Total Assets	3,445,655	3,198,021
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Current Liabilities

Trade and Other Payables	(644,186)	(634,273)
Amounts Due to Related Party	(1,682)	(1,359)
Current Tax Liabilities	(61,978)	(88,778)
Total Current Liabilities	(707,846)	(724,410)

Non-Current Liabilities

Provisions	(161,692)	(158,732)
Total Non-current Liabilities	(161,692)	(158,732)

Total Liabilities	(869,538)	(883,142)
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Net Assets	2,576,117	2,314,879
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Equity

Share Capital	190,000	190,000
Retained Earnings	2,386,117	2,124,879
Total Equity	2,576,117	2,314,879

2.2 INCOME STATEMENT (UNAUDITED)

FOR THE QUARTER ENDED

	31 Mar 2018 MVR "000"	31 Dec 2017 MVR "000"
Revenue	704,883	698,095
Operating Costs	(322,519)	(350,211)
Depreciation and Amortization	(75,779)	(80,793)
Other Income	292	14,276
Results from Operating Activities	306,877	281,367
Net Financing Expense	(7,580)	(4,012)
Profit Before Tax	299,297	277,355
Tax Expense	(45,120)	(43,351)
Profit for the period	254,177	234,004

Share Performance Ratios

Basic Earnings Per Share (Annualized MVR)	13.36	12.32
Basic Earnings Per Share (Quarter MVR)	3.34	3.08

2.3 CASH FLOW STATEMENT (UNAUDITED)

FOR THE QUARTER ENDED

	31 Mar 2018 MVR "000"	31 Dec 2017 MVR "000"
Net Cash Inflow from Operating Activities	305,939	282,674
Net Outflow from Investing Activities	(108,612)	(84,101)
Net Outflow from Financing Activities	(7,039)	(2,214)
Net Increase in Cash and Cash Equivalents	190,288	196,359
Cash and Cash Equivalents at beginning of the Period	424,889	228,530
Cash and Cash Equivalents at end of the Period	615,178	424,889



Robin Wall
Chief Financial Officer



Ismail Rasheed
CEO & Managing Director



03

Corporate Governance



3.1 BOARD COMPOSITION

On 15 January 2018, Mr. Ahmed Hafiz was appointed as a Non-Executive Director by the Government of Maldives. With this appointment, the Board composition as at 31 March 2018 was as follows:

Mr. Mohamed Ashmalee

Chairperson

Non-Executive & Independent

Chairperson, Remuneration, Nomination and Governance Committee

Mr. Abdulla Ahmed

Director

Non-Executive & Independent

Member, Audit Committee

Mrs. Kholood Rashid AlQattan

Director

Non-Executive & Independent

Chairperson, Audit Committee

Mr. AbdulRahman Fakhro

Deputy Chairperson

Non-Executive & Independent

Member, Remuneration, Nomination and Governance Committee

Mr. Imran Ali

Director

Non-Executive & Independent

Member, Audit Committee & Remuneration, Nomination and Governance Committee

Mr. Ahmed Hafiz

Director

Non-Executive & Non-Independent

Mr. Ihab Hinnawi

Director

Non-Executive & Independent

Mr. Oliver McFall

Director

Non-Executive & Independent

Mr. Ismail Rasheed

Chief Executive Officer & MD

Non-Executive & Non-Independent

3.2 BOARD ACTIVITY

One Board Meeting, and one Audit Committee meeting was held during Q1. No Remuneration, Nomination and Governance Committee meetings were held during the first quarter.

3.3 BOARD DECISIONS

Important Board decisions made during Quarter included:

- Approval of Audited Financial Statements for the year ended 31 December 2017.
- Approval to propose MVR 11.81 per share (total MVR 897.6m) as the company's full year dividend for 2017 to be submitted for shareholders' approval at the upcoming AGM. The full year dividend comprises of
 - MVR 5.96 per share (total MVR 453.0m) paid as interim dividend in 2017, and
 - MVR 5.85 per share (total MVR 444.6m) as final dividend for 2017 to be proposed for shareholder approval at the upcoming AGM
- Approval of the Authority Matrix.
- Approval of 2017 Performance Bonus Payout.

3.4 COMPLIANCE TO CMDA CORPORATE GOVERNANCE CODE

The company complied with the CMDA's Corporate Governance Code and the Dhiraagu Corporate Governance Code during the quarter. Highlights include ensuring regular, timely and effective disclosures as required by the Code.

The company's Corporate Governance Code can be viewed in the investor relations section of the Dhiraagu website.

3.5 REPORTING COMPLIANCE

This report has been prepared in compliance with CMDA's Minimum Quarterly Reporting Requirements for Listed Companies.



04

Investor Relations



4.1 SHAREHOLDING

The company's shareholding as at 31 March 2018 was as follows:

Shareholding	%	No of Shares
BTC Islands Limited (Batelco)	52.0%	39,520,000
Government of Maldives	41.8%	31,770,150
Public	6.2%	4,709,850
	100%	76,000,000

4.2 TRADING HIGHLIGHTS

The company's shareholding as at 31 March 2018 was as follows:

	Q1 2018	Q4 2017
Highest Traded Price (MVR)	85	80
Lowest Traded Price (MVR)	80	80
Last Traded Price (MVR)	80	80
Number of Shares Traded	4,326	110
Number of Trades	13	3
Weighted Average Traded Price (MVR)	83	80
Market Capitalization as at quarter end (MVR)	6.08bn	6.08bn

4.3 SHARE PERFORMANCE

	Q1 2018	Q4 2017
EPS (Annualized MVR)	13.36	12.32
P/E Ratio (Annualized)	5.99	6.49
Net Asset Per Share (MVR)	33.9	30.46
Dividend Yield	NA	NA



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